



New Business Models for TV, Mobile and Internet in a Multi-Screen World

..... And the need for new measurement solutions



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Data sourced from comScore's global panel of 2 million Internet users

360° View of Consumer Behavior



Agenda

“Mega Trends”: E-Commerce, Mobile and the Online TV Viewer

Revisiting the Business Model

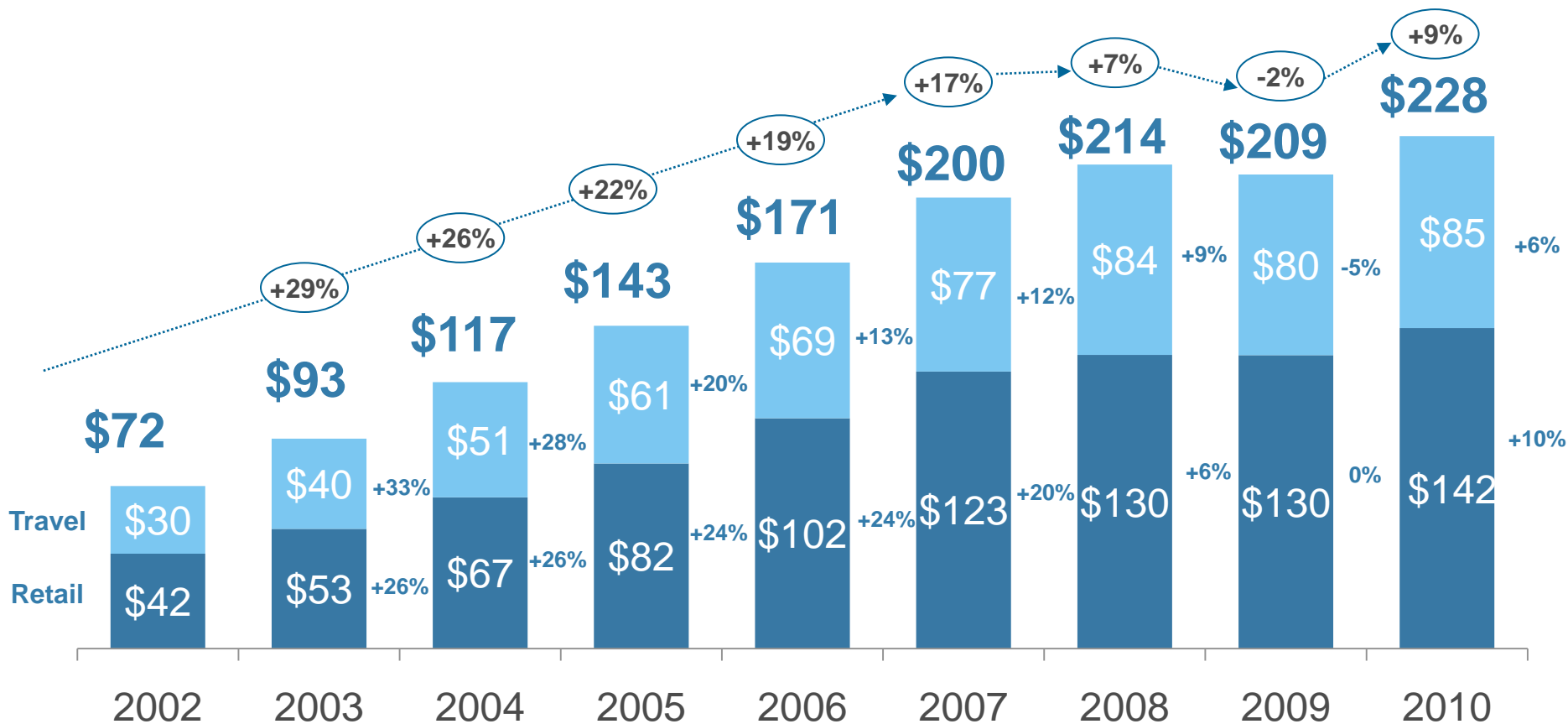
New Measurement Solutions

Discussion and Business Implications

Following a soft 2009, total U.S. e-commerce sales in 2010 were up 9% versus year ago. Travel and Retail E-commerce up 6% and 10%, respectively.

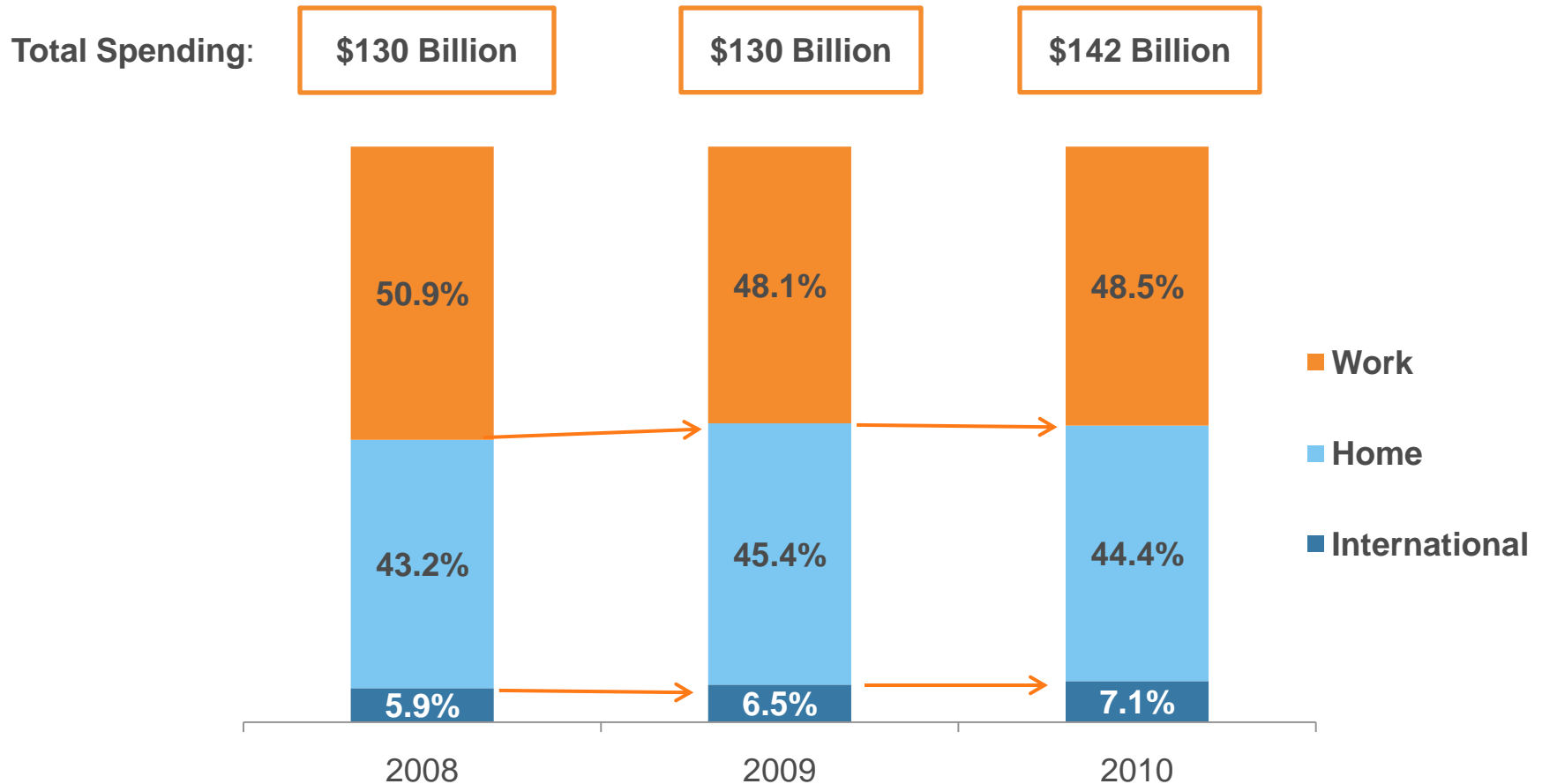
U.S. E-commerce Dollar Sales Growth (\$ Billions)

Source: comScore e-Commerce Measurement



At-work buying remains an important part of U.S. retail e-commerce activity at U.S. websites. International buying at U.S. sites increasing

U.S. Retail E-commerce Spending By Location
Source: comScore, Inc.



U.S. consumers are beginning to adopt mobile device usage as a method of shopping research but not yet payment

Q. When shopping for gifts for the holidays, have you ever done any of the following on your mobile phone?

Source: comScore Survey – December 9-13, 2010

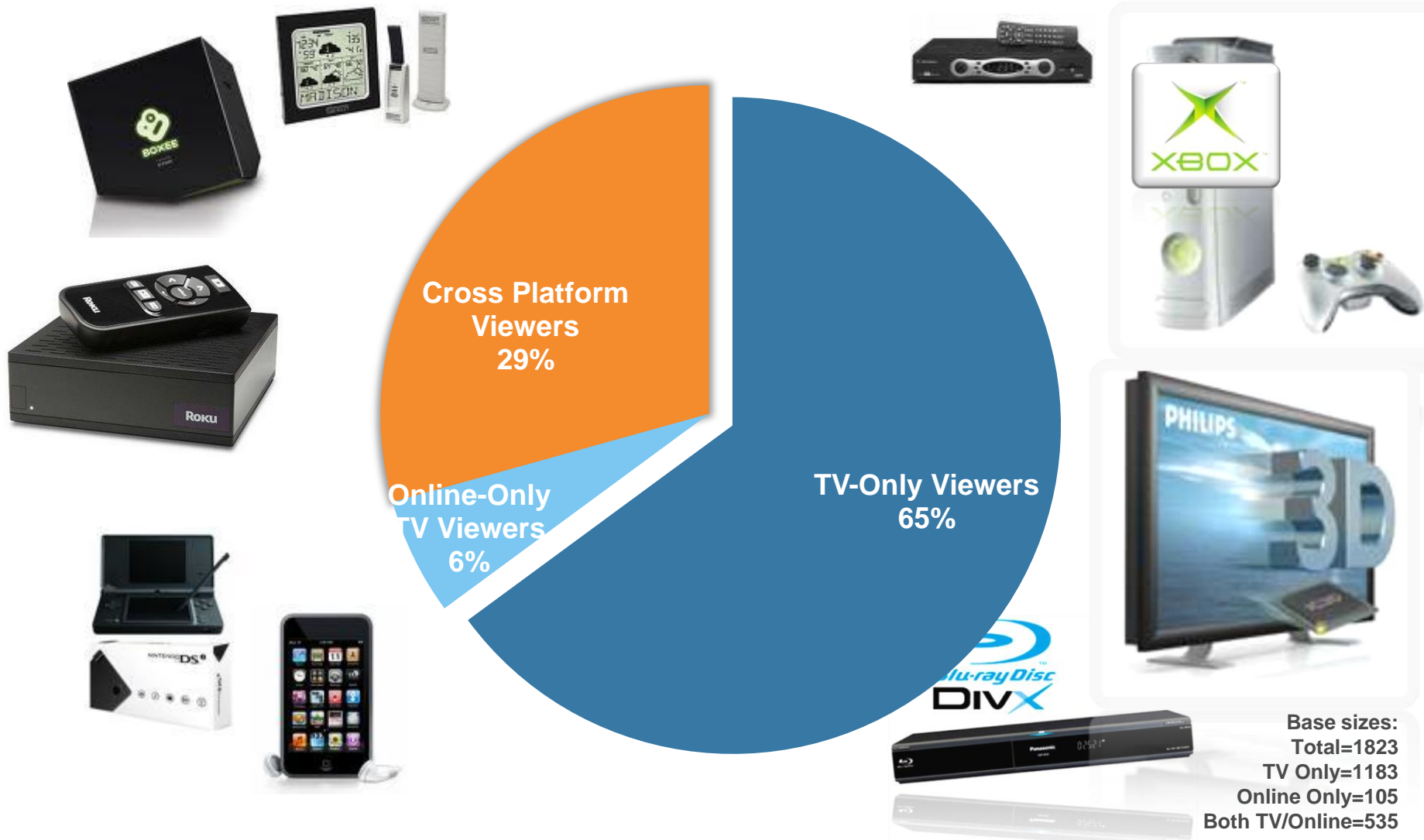


Consumers who do use mobile devices are primarily searching for stores and looking up product/price information.

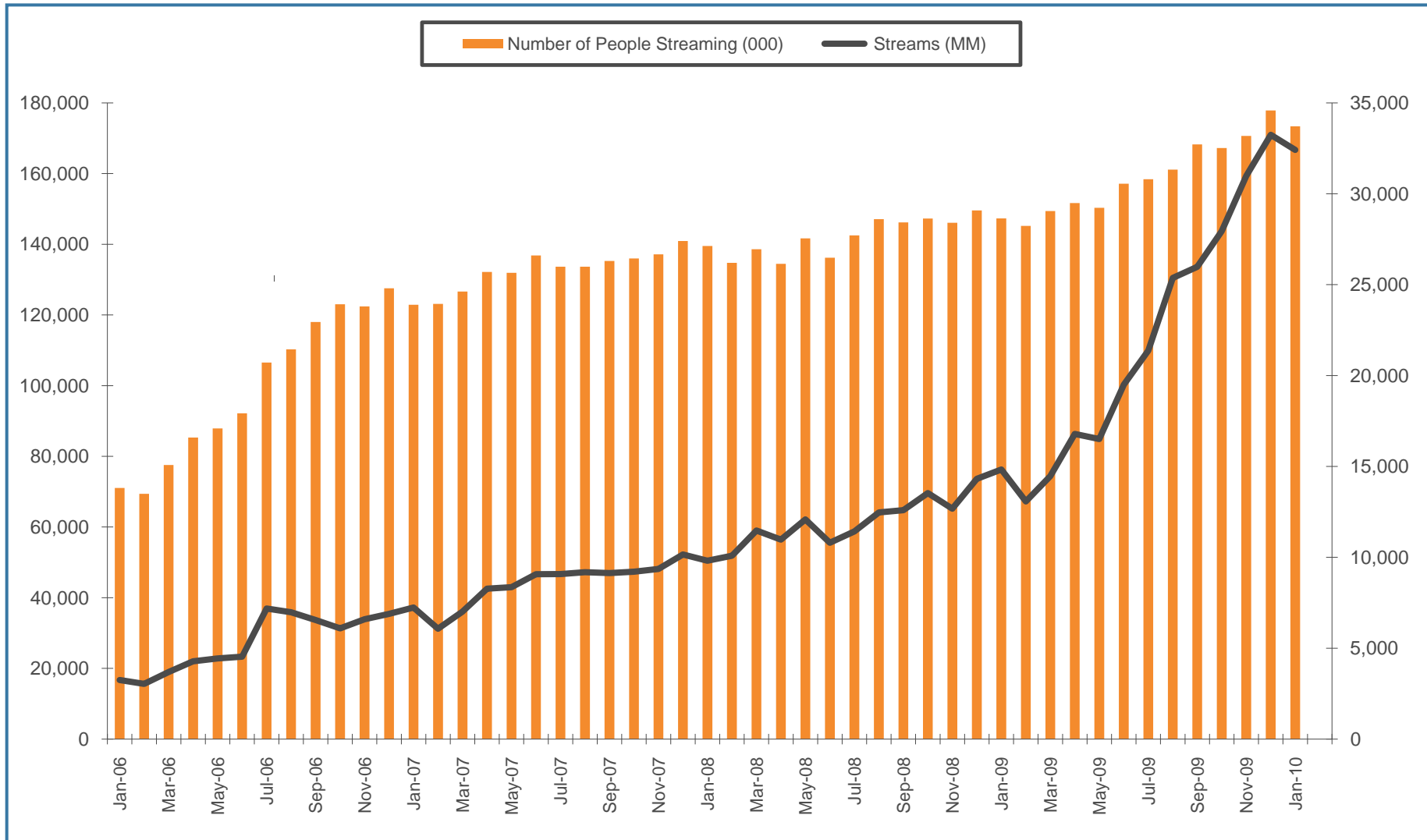
"The [mobile] shopping experience is lagging... Mobile Web sites are reminiscent of where the overall Web was 10 years ago, performance-wise."

- CNBC.com, Nov 29, 2010

35% of U.S. Consumers Use TV Online



Online video has experienced growth over the last 5 years



Further Growth in Online Video Viewing Is Expected

‘By 2014, rich ads will account for 63% of online display ad spending – and marketers will spend more than €1 billion on online video ads’

Forrester’s European Online Ad Forecast: Rich Formats Will Push Display Ad Spending Higher While Search Growth Will Slow (May 2010)

‘According to findings from the Interactive Advertising Bureau and PricewaterhouseCoopers, online video ad spending in 2009 grew by 38 percent, a number that analysts expect will continue to skyrocket in the coming year’

Ad Ops Online: Undertone Reports Explosive Growth in Online Video Advertising Revenue (June 2010)

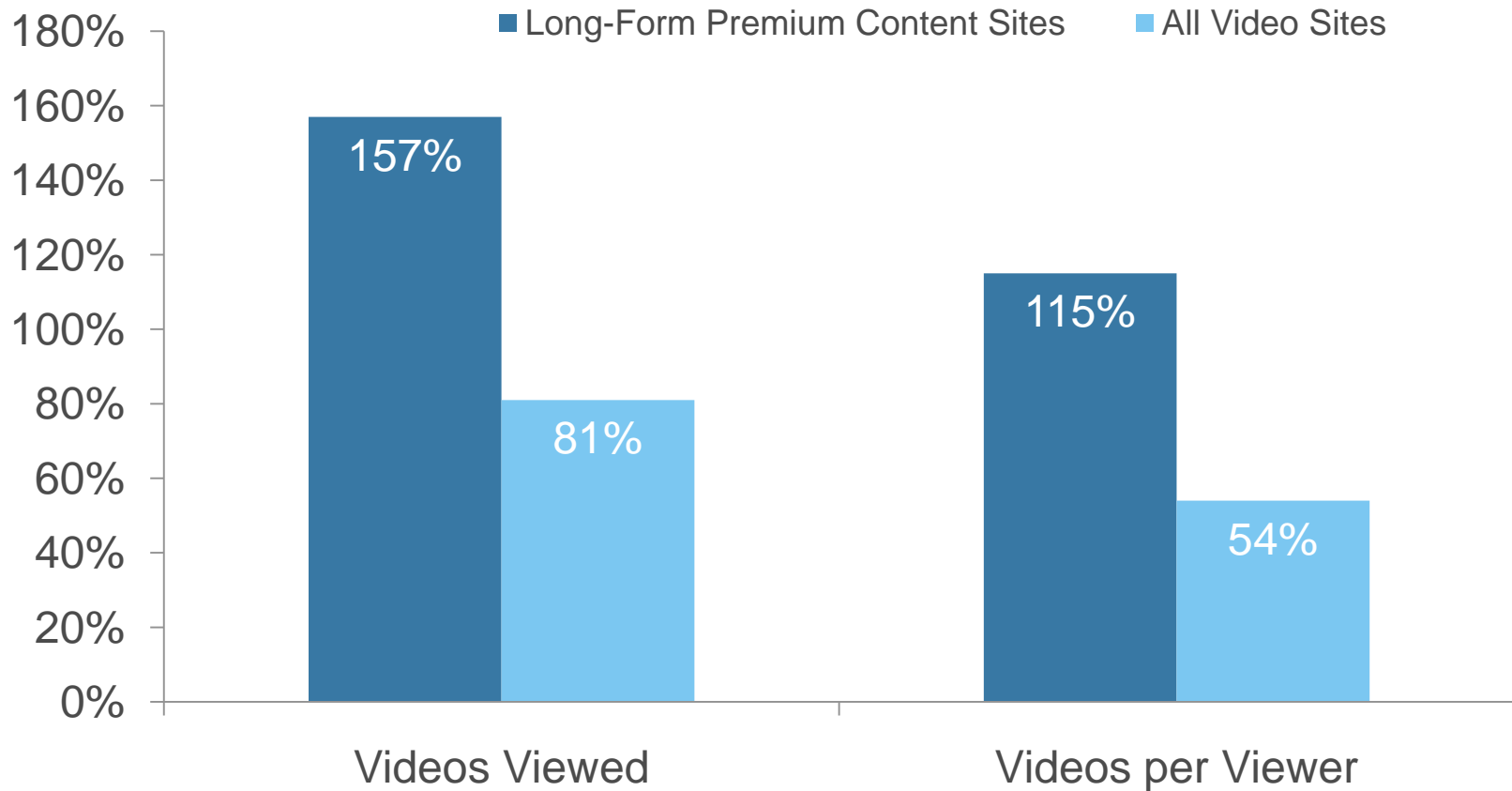
‘Over the last year, online video advertising has continued to mature as a trusted and proven medium for reaching highly engaged audiences at scale across premium content sites online. As CPMs continue to drop, better metrics emerge... this segment of online advertising will continue to become a staple in every media buyer’s arsenal’

BrightRoll’s CEO and Founder, Tod Sacerdoti, (Jan 2010)

	June 2009	June 2010	% Change
Unique Viewers	33.0m	43.3m	31%
Video Views	4.9b	8.6b	76%
Hours per Viewer	12.1	18.3	51%

Growth in Long-Form TV Programming Online

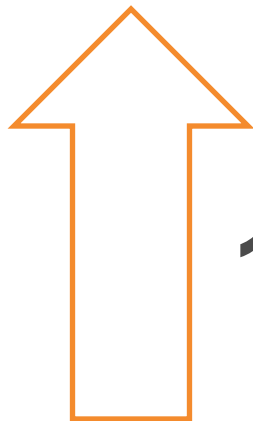
Year-Over-Year Percentage Growth



Growth in Long-Form TV Viewing Engagement

- Year-over-year growth in time spent viewing long-form TV programming

Total Minutes



102%
increase

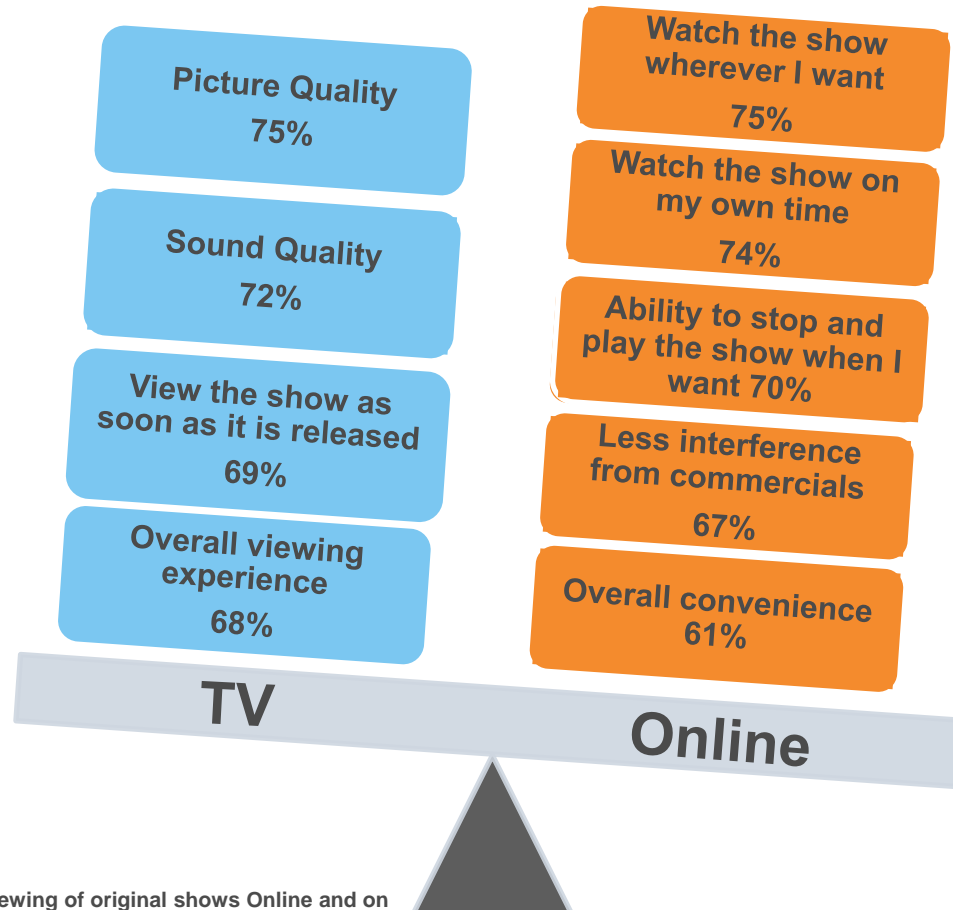
Minutes per Viewer



39%
increase

Motivations: Convenience and Control of Online TV vs. Timeliness and Quality of TV

“For each attribute, please select whether Online or TV is better”

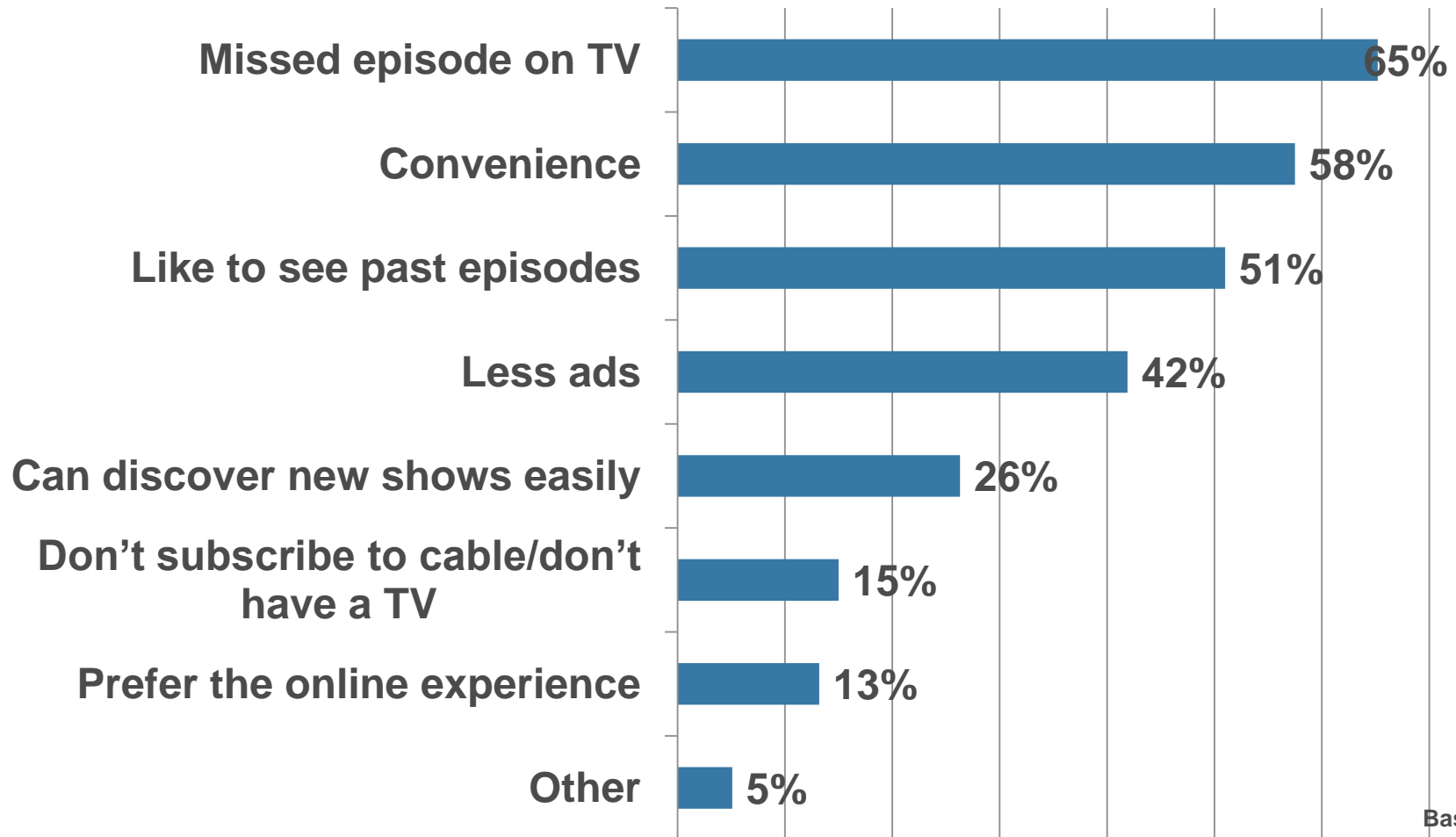


Base sizes:
Total=1823
TV Only=1183
Online Only=105
Both TV/Online=535

Q23. We would now like to compare the viewing of original shows Online and on TV. For each attribute below, please select whether Online or TV is better.

Missed Episodes and Convenience – Not Ad Avoidance – Are Main Reasons for Watching Original TV Series Online

“What are the reasons you like to watch original TV shows Online?”

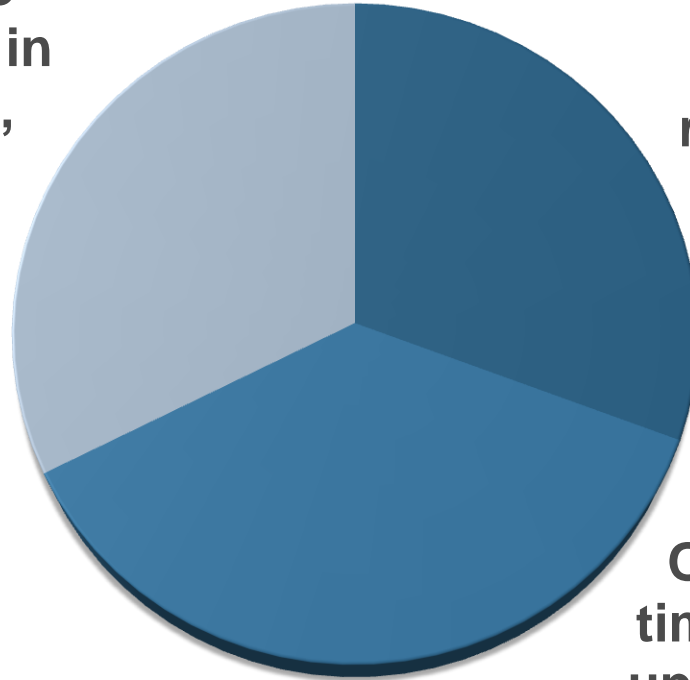


Base sizes:
Online Only=115
Both TV/Online=502

Online video provides new ways to view and to control viewing experience

“Do you usually like to see one episode at a time or.... ?”

**Back to
back/All in
one go,
32%**

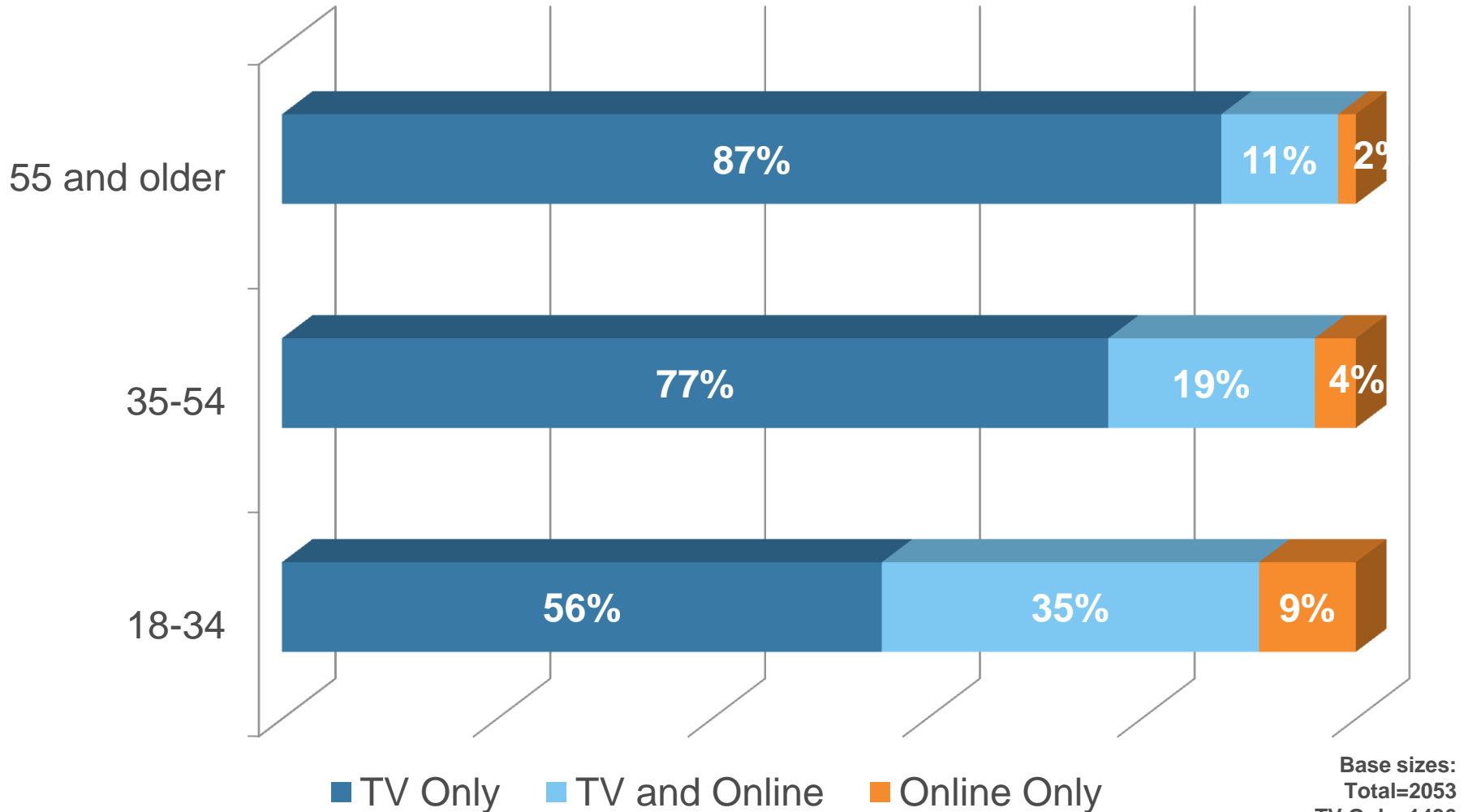


**One at a
time/Most
recent, 31%**

**One at a
time/Catch
up viewing,
37%**

Base sizes:
Online Only=115
Both TV/Online=502

Younger Demographics Are More Likely to Use Original Series Programs Online



Base sizes:
Total=2053
TV Only=1436
Online Only=115
Both TV/Online=502

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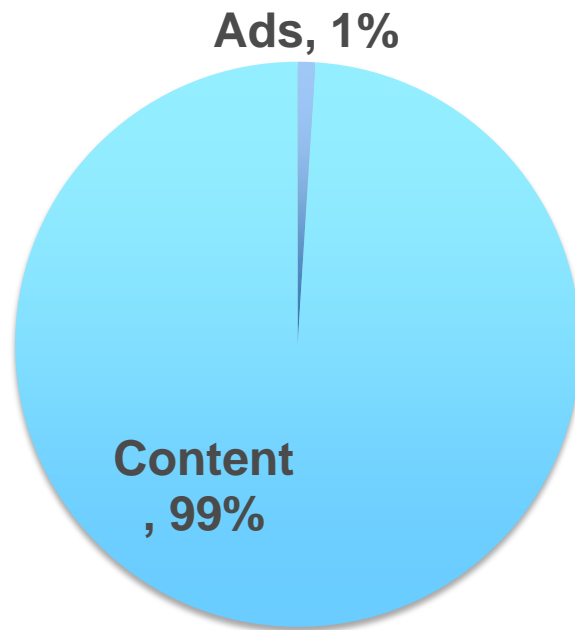
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New Measurement Solutions

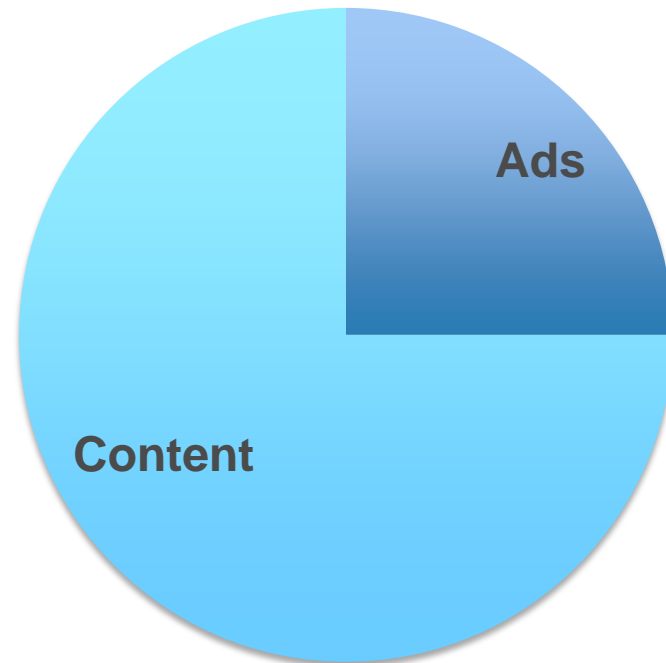
Discussion and Business Implications

What Portion of Time Spent With Online Video Is Advertising?

Online Video

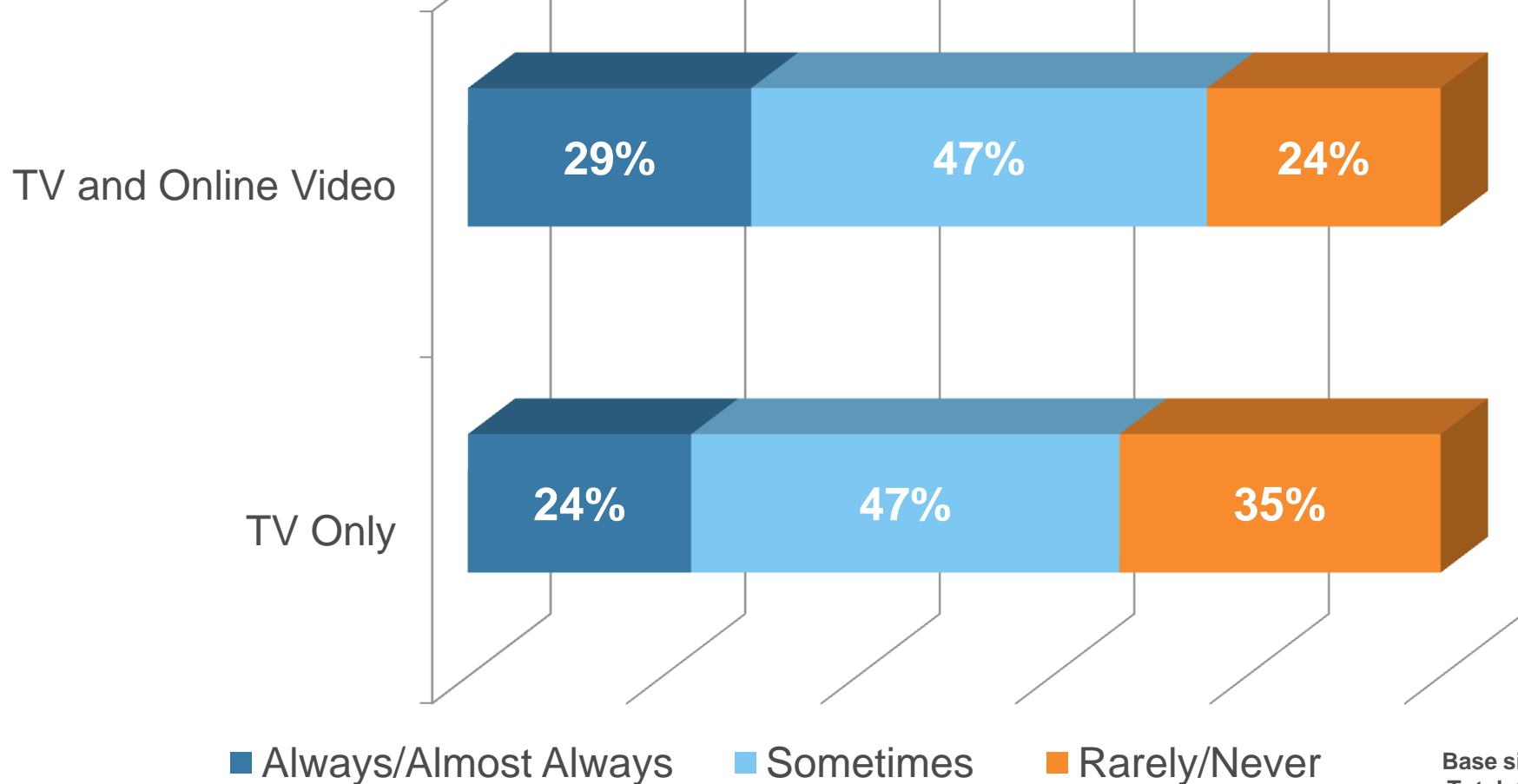


Television



60-70% of Viewers Watch Commercials on Original Series Programs on TV

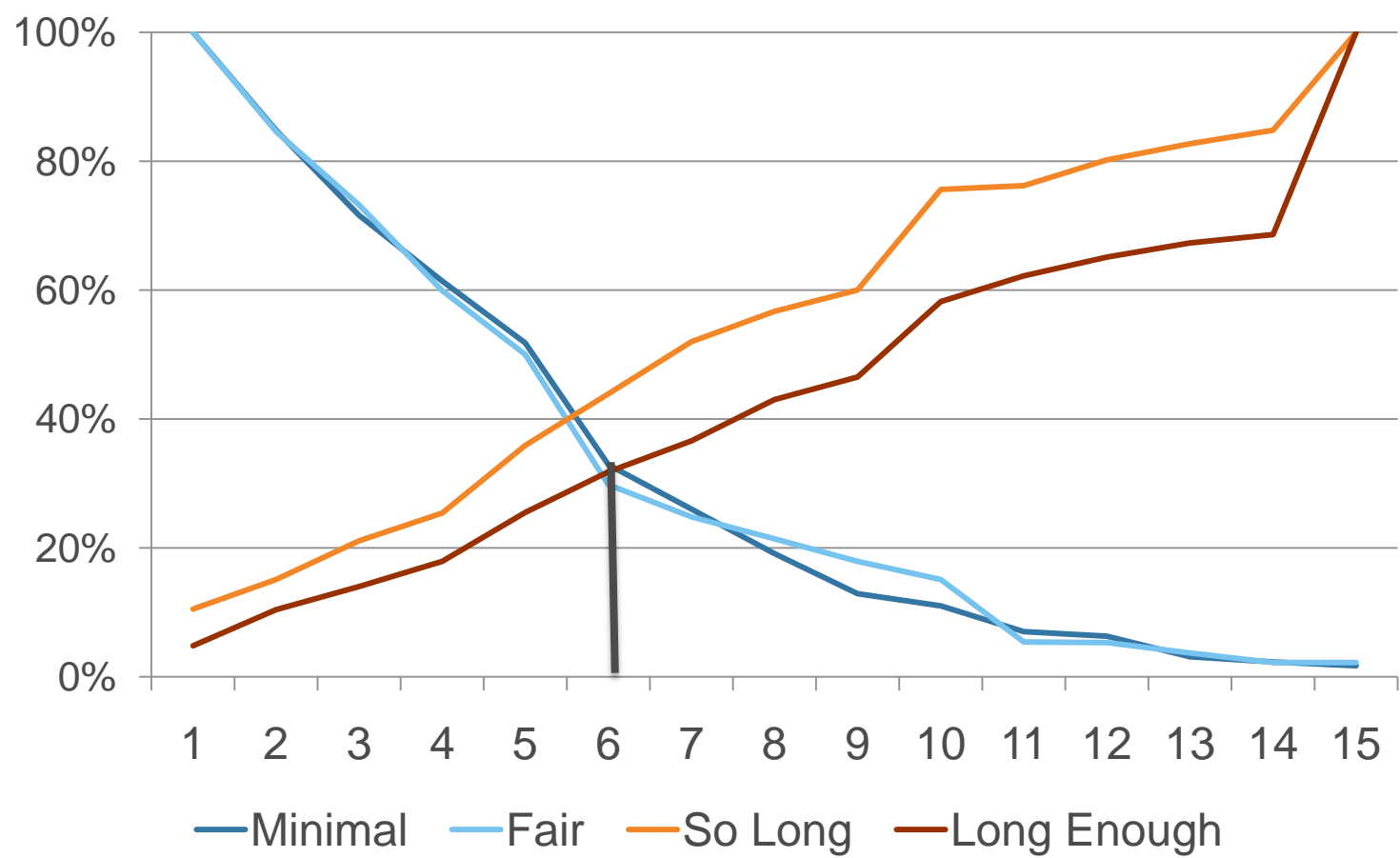
“Which one of the following best describes how often you watch commercials when viewing original TV shows on TV?”



Base sizes:
Total=2053
TV Only=1436
Both TV/Online=502

We May Be Leaving Money on the Table When It Comes to Commercial Inventory In Original Series Programs Online

Tolerance Levels For Commercials In Original Scripted Programs Online

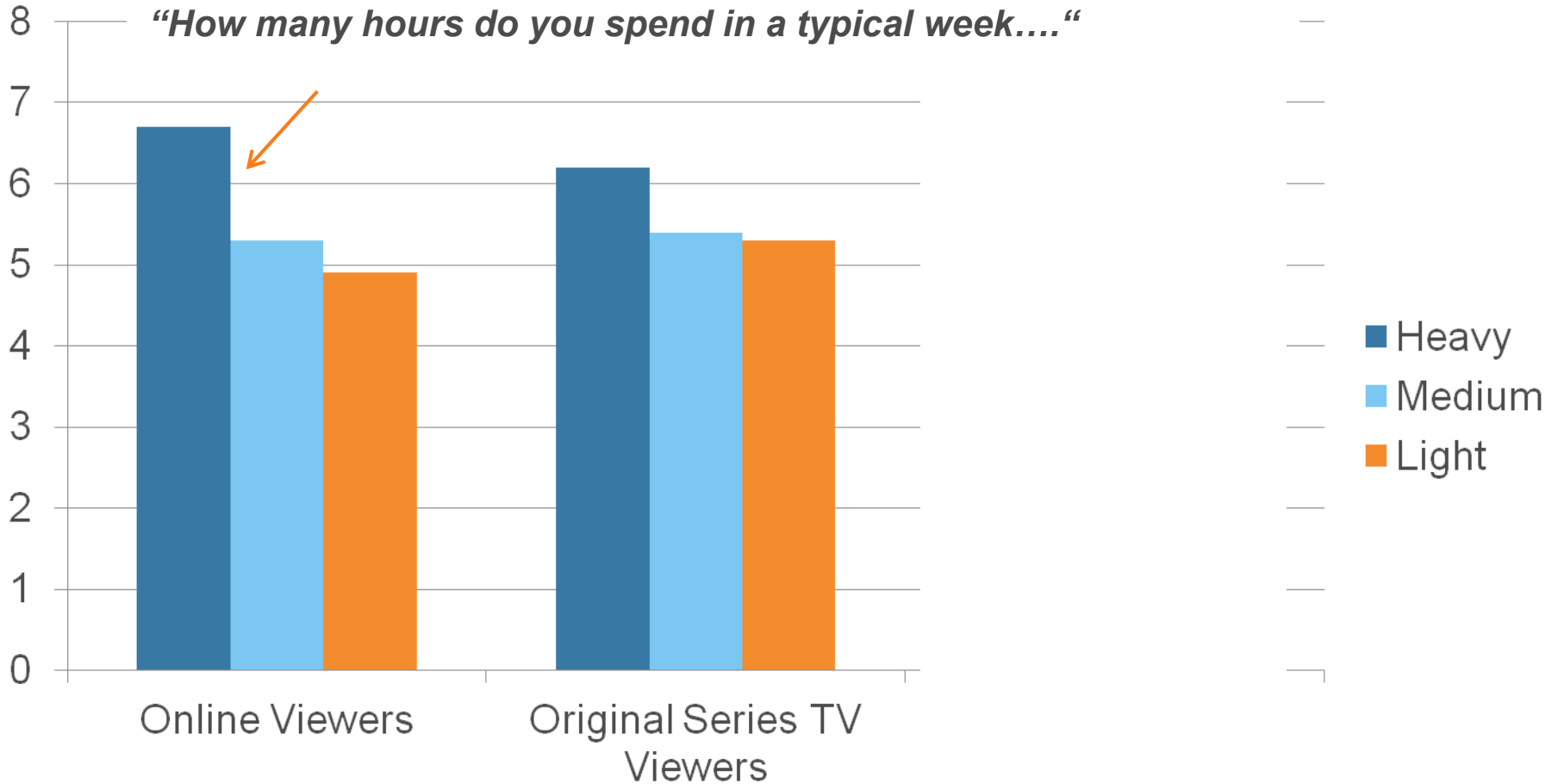


Commercial minutes

Base sizes:
Both TV/Online=502



Heavy Online TV Viewers and Heavy Original Series TV Viewers Have Highest Tolerance for Commercials in Original Series Programs Online

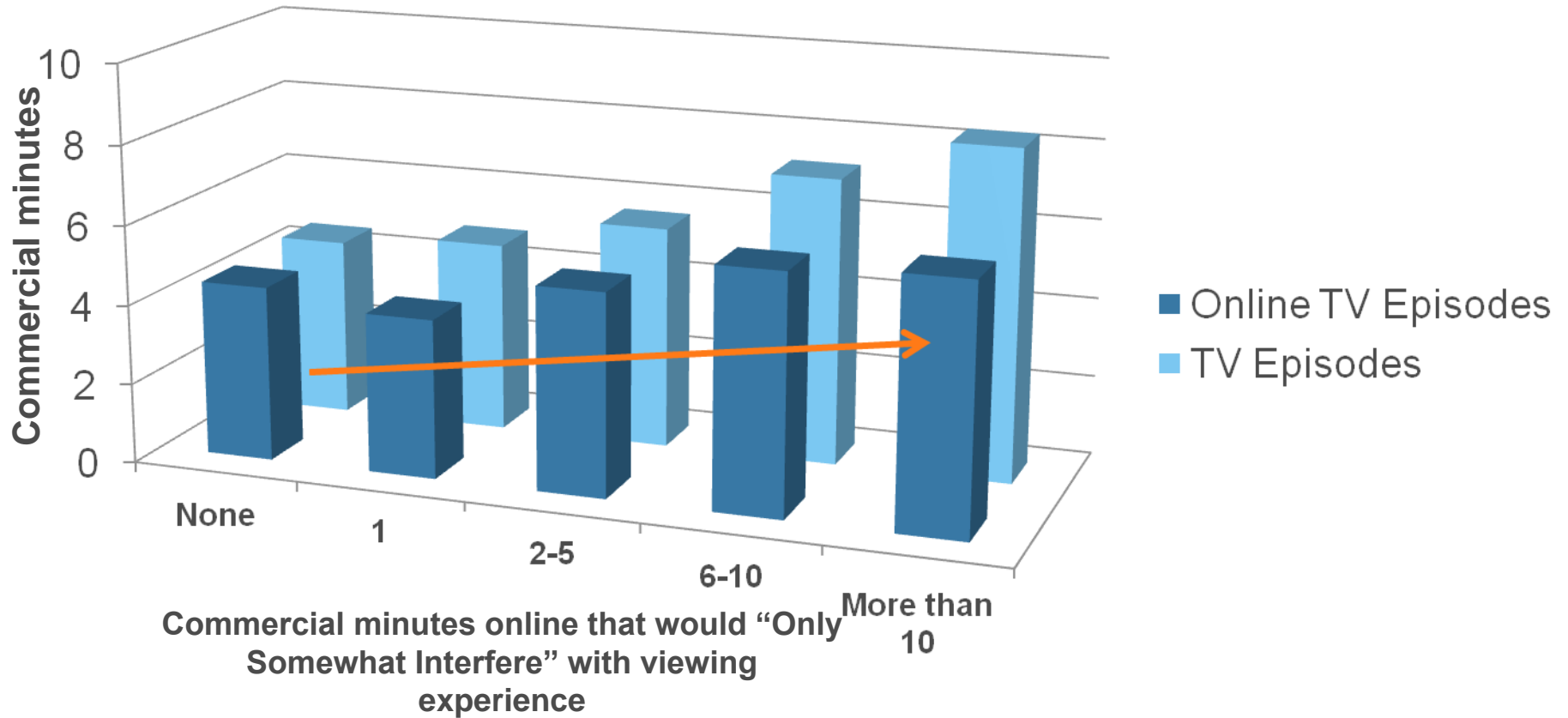


Commercial minutes online that would “Only Somewhat Interfere” with viewing experience

Base sizes:
 Online Only=105
 Both TV/Online=535

The More Episodes Used Online and On TV, The Higher the Tolerance for Commercials in Original Series Programs Online

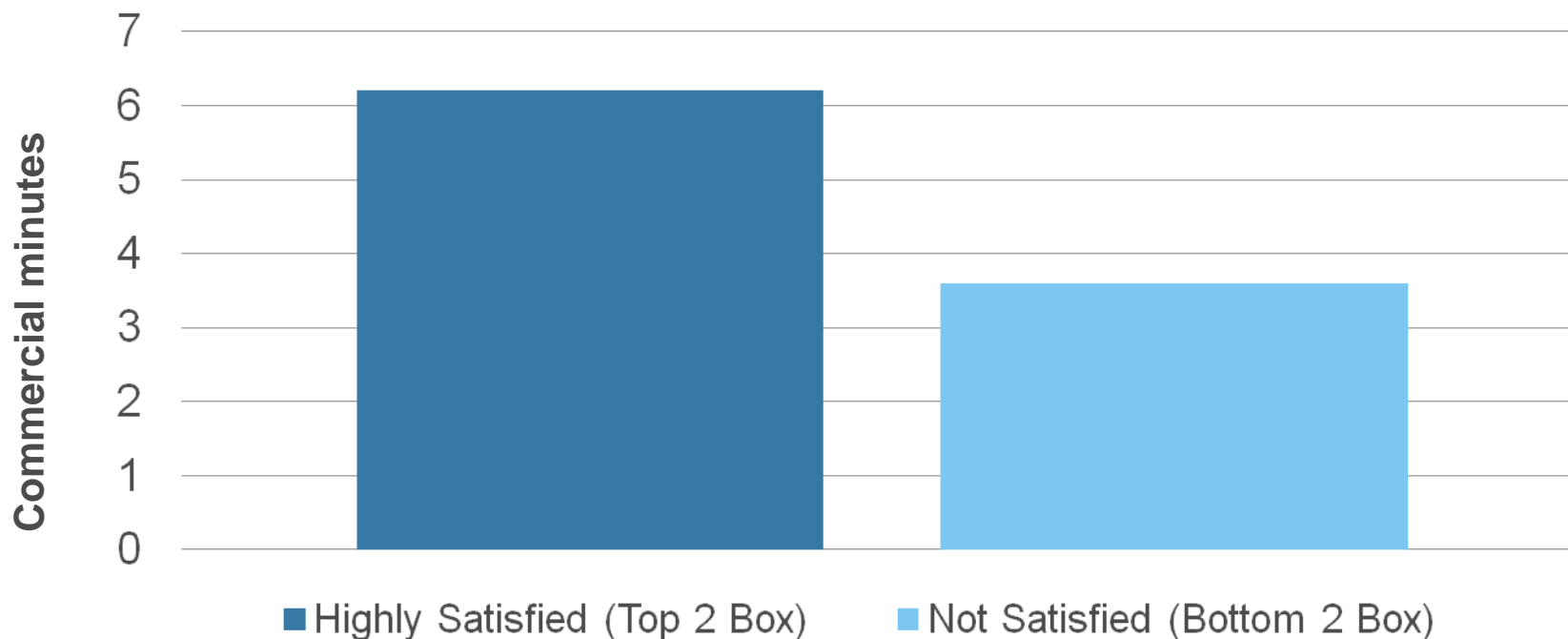
“How many original TV shows did you watch last week?”



Base sizes:
Online Only=105
Both TV/Online=535

The More Consumers Are Satisfied With Original Series Programs on TV, the Higher the Tolerance for Commercials In Original Series Programs Online

“How satisfied are you with Original Scripted programming on TV?”

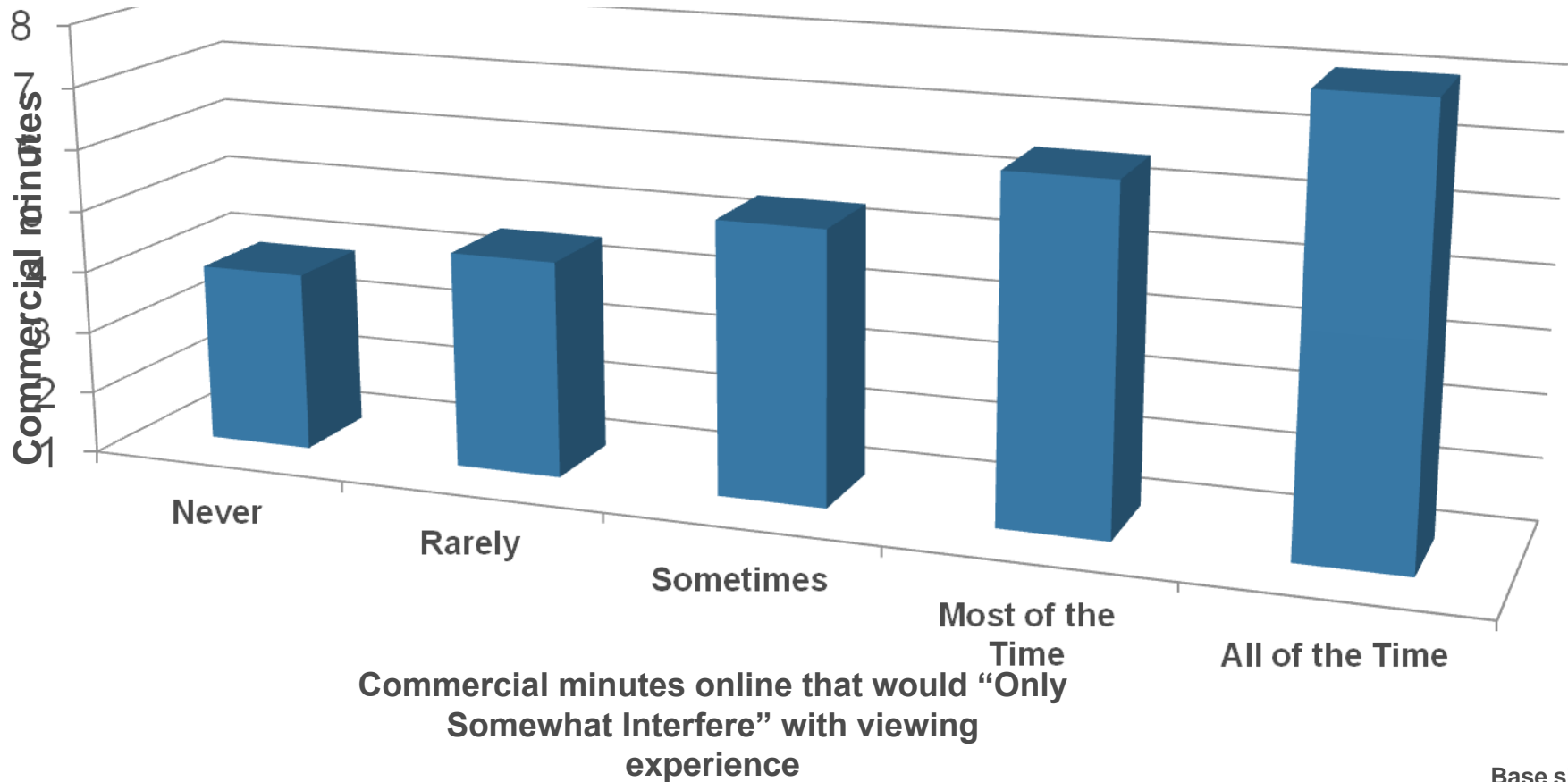


Number of commercial minutes online that would “Only Somewhat Interfere” with viewing experience

Base sizes:
Online Only=105
Both TV/Online=535

The More Consumers Watch Commercials On TV, the Higher The Tolerance for Commercials in Original Series Programs Online

“Which describes how often you watch commercials when viewing original scripted programs on TV?”



Base sizes:
Online Only=105
Both TV/Online=535

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The Question of Multi-Screen Consumers

As consumers use more media in more places and across more devices that ever before.....

Marketers challenged to develop brand experiences that consumers enjoy, and marketing messages more relevant to changing lifestyles

When do consumers use mobile, Internet, TV? Who are the cross-platform media users?

Publishers challenged to reach consumers where they are building and retaining audiences for advertisers

How much duplicated and unduplicated reach? How does TV combined with mobile and Internet create the optimum reach and frequency for my advertiser's campaign?

How does my premium programming affect the impact of my advertiser's creative message?



Introducing Cross-Platform Measurement

comScore AT&T MultiScreen Panel:

25,000 Member Single-Source TV, Internet and Mobile Consumer Research Panel

comScore:

- Internet usage data
- comScore meter and Unified Digital Measurement

Opt-In Consumer Panel

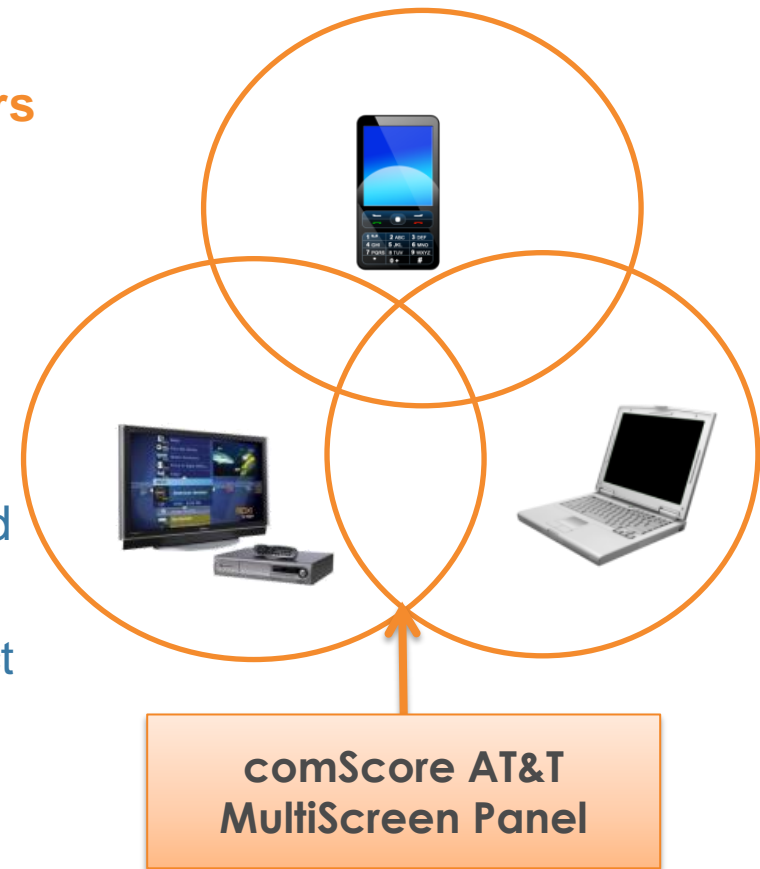


AT&T:

- TV and mobile usage data
- Leading provider of broadband Internet, TV and mobile services
- Subscribers with AT&T broadband Internet, TV and mobile
- Offered in 20+ states

Groundbreaking Research

- First **scalable, behavioral** data across multiple screens: Internet, mobile, TV
- First behavioral panel **focused on consumers who use advanced media services**
- First answers to questions about how consumers use multiple-screens:
 - Duplicated and unduplicated audiences across media
 - Impact of interaction between TV, online, and mobile advertising
 - How changes in media mix and spend impact outcome metrics
 - Optimal media mix
 - Performance by creative, by channel, by publisher



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Discussion

- **Digital is growing: e-commerce, online viewing, mobile**
- **TV remains the platform of choice, but audiences are increasingly connected and platform agnostic**
- **Consumers have a higher tolerance for commercials in Online TV than we might expect, and we may be leaving money on the table in monetizing this new platform**
- **Convenience and catch-up – not ad avoidance – are the key motivators of online TV viewing**
- **Measurement solutions will yield new insights about consumers and how they spend their ‘media day’**





Thank You!

